

---

---

## SENATE BILL No. 257

---

### DIGEST OF INTRODUCED BILL

**Citations Affected:** None (noncode).

**Synopsis:** Energy and fuel assistance grants to schools. Appropriates \$15,000,000 to make energy assistance grants and \$15,000,000 to make transportation assistance grants to school corporations and charter schools.

**Effective:** July 1, 2005 (retroactive).

---

---

### Alting

---

---

January 9, 2006, read first time and referred to Committee on Appropriations.

---

---

C  
o  
p  
y



Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

## SENATE BILL No. 257

A BILL FOR AN ACT concerning education finance and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. [EFFECTIVE JULY 1, 2005 (RETROACTIVE)] (a)  
2       **The definitions in IC 20-18-2, IC 20-24, and IC 21-3-1.6-1.1 apply**  
3       **throughout this SECTION.**

4       **(b) The following definitions apply throughout this SECTION:**

5           (1) "Energy assistance grant" refers to a grant made under  
6           **this SECTION to assist public schools with the payment of**  
7           **extraordinary heating costs incurred after June 30, 2005, and**  
8           **before July 1, 2006.**

9           (2) "Public school" refers to the following:

10           (A) A school corporation.

11           (B) A charter school.

12       **(c) There is appropriated to the budget agency fifteen million**  
13       **dollars (\$15,000,000) from the state general fund for its use in**  
14       **making supplemental tuition support grants under this SECTION**  
15       **in the form of an energy assistance grant beginning July 1, 2005,**  
16       **and ending June 30, 2007. The budget agency shall determine, in**  
17       **its discretion, the amount of the appropriation that will be**



C  
o  
p  
y

distributed as energy assistance grants. IC 21-3-1.7-9 does not apply to a grant under this SECTION.

(d) Not later than August 31, 2006, the budget agency shall provide energy assistance grants to public schools to reimburse public schools for extraordinary heating costs incurred by public schools after June 30, 2005, and before July 1, 2006. The budget agency shall prescribe written guidelines for the distribution of grants under this subsection, including eligibility standards and application procedures. Subject to this SECTION, energy assistance grants must be made in conformity with the written guidelines. The budget agency shall make the guidelines prescribed under this subsection and any amendments to the guidelines available to the fiscal officer of each public school. The guidelines may provide a formula that makes a distribution of grants to all public schools or provides for a distribution of grants to fewer than all public schools based on the criteria in the guidelines.

(e) The written guidelines prepared under subsection (d) must comply with this subsection. To be eligible for an energy assistance grant, a public school must apply to the budget agency on the forms, on the schedule, and in the manner prescribed by the budget agency. To be eligible for a grant, the public school must establish that an energy assistance grant is necessary because of an increase in heating costs that resulted in an extraordinary increase in the operating expenses of the public school, as determined by the budget agency.

(f) This subsection applies to an applicant that is a school corporation. The budget agency may require as a condition of receiving an energy assistance grant that a recipient school corporation not transfer money from any other fund to the school general fund for the heating costs covered by the energy assistance grant. The budget agency may consider the extent to which the school corporation has exercised its authority to pay utility costs from the school corporation's capital projects fund.

(g) The budget agency may make an energy assistance grant to a public school that is less than the amount of the energy assistance grant requested by the public school. If the total amount of the energy assistance grants for which public schools are eligible exceeds the amount to be distributed as energy assistance grants, the budget agency may reduce the amount of the energy assistance grant distributed to an eligible public school in conformity with the standards specified in the guidelines prescribed under this SECTION.

**C  
o  
p  
y**



(h) The budget agency shall notify the department of local government finance and the department of education of the energy assistance grants distributed to public schools. An energy assistance grant does not reduce the maximum permissible levy or state distribution that a school corporation would otherwise be permitted to levy or receive for any of the school corporation's funds, reduce the levy that a school corporation would otherwise be required to levy for a charter school, or reduce the state distribution that a charter school would otherwise be permitted to receive under any other law. However, the department of local government finance may not approve an excessive levy under IC 6-1.1-19-4.5 or another law for the heating costs covered by an energy assistance grant. A public school is not entitled to reimbursement from the state or, in the case of transfer tuition, from any other school corporation for expenditures for the heating costs covered by an energy assistance grant. Money distributed as an energy assistance grant may be used to pay heating costs, reimburse a fund for heating costs paid from the fund, or repay the balance and interest on the part of a loan entered into to pay heating costs.

(i) If a public school does not use an energy assistance grant for the purposes of the grant or fails to comply with a condition of the grant, the budget agency may recover the amount of the grant that is not used in conformity with the purposes and conditions of the grant. The budget agency may direct the department of education to offset the amount of the energy assistance grant to be recovered against any state distribution that would otherwise be made to the public school.

SECTION 2. [EFFECTIVE JULY 1, 2005 (RETROACTIVE)] (a) The definitions in IC 20-18-2, IC 20-24, and IC 21-3-1.6-1.1 apply throughout this SECTION.

(b) The following definitions apply throughout this SECTION:

(1) "Public school" refers to the following:

(A) A school corporation.

(B) A charter school.

(2) "Transportation assistance grant" refers to a grant made under this SECTION to assist public schools with the payment of extraordinary transportation operating costs resulting from a fuel expense increase incurred after June 30, 2005, and before July 1, 2006.

(c) There is appropriated to the budget agency fifteen million dollars (\$15,000,000) from the state general fund for its use in

**C  
O  
P  
Y**



1 making supplemental tuition support grants under this SECTION  
 2 in the form of a transportation assistance grant beginning July 1,  
 3 2005, and ending June 30, 2007. The budget agency shall  
 4 determine, in its discretion, the amount of the appropriation that  
 5 will be distributed as transportation assistance grants.  
 6 IC 21-3-1.7-9 does not apply to a grant under this SECTION.

7 (d) Not later than August 31, 2006, the budget agency shall  
 8 provide transportation assistance grants to public schools to  
 9 reimburse public schools for extraordinary transportation  
 10 operating costs incurred by public schools after June 30, 2005, and  
 11 before July 1, 2006, as a result of a fuel expense increase. The  
 12 budget agency shall prescribe written guidelines for the  
 13 distribution of grants under this subsection, including eligibility  
 14 standards and application procedures. Subject to this SECTION,  
 15 transportation assistance grants must be made in conformity with  
 16 the written guidelines. The budget agency shall make the guidelines  
 17 prescribed under this subsection and any amendments to the  
 18 guidelines available to the fiscal officer of each public school. The  
 19 guidelines may provide a formula that makes a distribution of  
 20 grants to all public schools or provides for a distribution of grants  
 21 to fewer than all public schools based on the criteria in the  
 22 guidelines.

23 (e) The written guidelines prepared under subsection (d) must  
 24 comply with this subsection. To be eligible for a transportation  
 25 assistance grant, a public school must apply to the budget agency  
 26 on the forms, on the schedule, and in the manner prescribed by the  
 27 budget agency. To be eligible for a grant, the public school must  
 28 establish that a transportation assistance grant is necessary  
 29 because of a fuel expense increase that resulted in an extraordinary  
 30 increase in the transportation operating costs of the public school,  
 31 as determined by the budget agency.

32 (f) This subsection applies to an applicant that is a school  
 33 corporation. The budget agency may require as a condition of  
 34 receiving a transportation assistance grant that a recipient school  
 35 corporation not transfer money from any other fund to the school  
 36 corporation's transportation fund for the transportation operating  
 37 costs covered by the transportation assistance grant. The budget  
 38 agency may consider the extent to which the school corporation has  
 39 exercised its authority granted by law to increase its transportation  
 40 fund levy to replace state transportation distributions made to the  
 41 school corporation before July 1, 2004.

42 (g) The budget agency may make a transportation assistance

**C**  
**O**  
**P**  
**Y**



1 grant to a public school that is less than the amount of the  
2 transportation assistance grant requested by the public school. If  
3 the total amount of the transportation assistance grants for which  
4 public schools are eligible exceeds the amount to be distributed as  
5 transportation assistance grants, the budget agency may reduce the  
6 amount of the transportation assistance grant distributed to an  
7 eligible public school in conformity with the standards specified in  
8 the guidelines prescribed under this SECTION.

9 (h) The budget agency shall notify the department of local  
10 government finance and the department of education of the  
11 transportation assistance grants distributed to public schools. A  
12 transportation assistance grant does not reduce the maximum  
13 permissible levy or state distribution that a school corporation  
14 would otherwise be permitted to levy or receive for any of the  
15 school corporation's funds, reduce the levy that a school  
16 corporation would otherwise be required to levy for a charter  
17 school, or reduce the state distribution that a charter school would  
18 otherwise be permitted to receive under any other law. However,  
19 the department of local government finance may not approve an  
20 excessive levy under IC 6-1.1-19-5.4 or another law for the  
21 transportation operating costs covered by a transportation  
22 assistance grant. A public school is not entitled to reimbursement  
23 from the state or, in the case of transfer tuition, from any other  
24 school corporation for expenditures for the transportation  
25 operating costs covered by a transportation assistance grant.  
26 Money distributed as a transportation assistance grant may be  
27 used to pay transportation operating costs, reimburse a fund for  
28 transportation operating costs, or repay the balance and interest  
29 on the part of a loan entered into to pay transportation operating  
30 costs.

31 (i) If a public school does not use a transportation assistance  
32 grant for the purposes of the grant or fails to comply with a  
33 condition of the grant, the budget agency may recover the amount  
34 of the grant that is not used in conformity with the purposes and  
35 conditions of the grant. The budget agency may direct the  
36 department of education to offset the amount of the transportation  
37 assistance grant to be recovered against any state distribution that  
38 would otherwise be made to the public school.

39 SECTION 3. An emergency is declared for this act.

C  
o  
p  
y

